

**RED RIVER PARISH PORT COMMISSION  
ANNUAL FINANCIAL REPORT**

**JUNE 30, 2001**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 2 2002

Red River Parish Port Commission

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Independent Auditors' Report	---	1
General Purpose Financial Statements <u>(Combined Statements-Overview)</u>		
Combined Balance Sheet-Fund Type and Account Group	A	3
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (GAAP Basis) and Actual- General Fund Type	B	4
Notes to Financial Statements	---	6-10
<u>Compliance and Internal Control.</u>		
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	C	12-13

# Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1962-1996)

Mark D. Thomas, CPA – A Professional Corporation

Roger M. Cunningham, CPA – A Professional Corporation

321 Bienville Street  
Natchitoches, Louisiana 71457  
(318) 352-3652  
Fax (318) 352-4447

## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
of the Red River Parish Port Commission

We have audited the general purpose financial statements of the Red River Parish Port Commission, Coushatta, Louisiana, a component unit of the State of Louisiana, as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the U.S. General Accounting Office, and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Red River Parish Port Commission, Coushatta, Louisiana, as of June 30, 2001, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 27, 2001, on our consideration of the Red River Parish Port Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

**Johnson, Thomas & Cunningham**

Johnson, Thomas & Cunningham, CPA's

November 27, 2001  
Natchitoches, Louisiana

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS-OVERVIEW)**

Red River Parish Port Commission  
Combined Balance Sheet - Fund Type and Account Group  
June 30, 2001

	Governmental <u>Fund Type</u> General <u>Fund</u>	<u>Account Group</u> General <u>Fixed Assets</u>	Total <u>(Memorandum Only)</u> <u>6-30-01</u>
<u>Assets</u>			
Cash	\$19,170	\$ 0	\$ 19,170
Land	<u>0</u>	<u>324,777</u>	<u>324,777</u>
Total Assets	<u>\$19,170</u>	<u>\$324,777</u>	<u>\$343,947</u>
<u>Liabilities</u>			
Accounts Payable	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
<u>Fund Equity</u>			
Investment in General Fixed Assets	\$ 0	\$324,777	\$324,777
Fund Balance- Unreserved-Undesignated	<u>19,170</u>	<u>0</u>	<u>19,170</u>
Total Liabilities and Fund Balance	<u>\$19,170</u>	<u>\$324,777</u>	<u>\$343,947</u>

See notes to financial statements.

Red River Parish Port Commission

Statement of Revenues, Expenditures and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual-  
Governmental Fund Type  
General Fund  
Year Ended June 30, 2001

	<u>2001</u>		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES:			
Intergovernmental-			
Red River Waterway	\$360,000	\$362,511	\$ 2,511
Miscellaneous-			
Interest	<u>900</u>	<u>866</u>	<u>(34)</u>
Total Revenues	<u>\$360,900</u>	<u>\$363,377</u>	<u>\$ 2,477</u>
EXPENDITURES:			
Current-			
General Government-			
Professional Services	\$ 29,973	\$ 33,731	\$(3,758)
Legal & Accounting	5,000	4,333	667
Administrative	150	153	(3)
Dues	100	100	0
Insurance	900	866	34
Capital Outlay-			
Land Purchases	<u>324,777</u>	<u>324,777</u>	<u>0</u>
Total Expenditures	<u>\$360,900</u>	<u>\$363,960</u>	<u>\$(3,060)</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 0	\$ (583)	\$ (583)
Fund Balance-Beginning of Year	<u>19,753</u>	<u>19,753</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 19,753</u>	<u>\$ 19,170</u>	<u>\$ (583)</u>

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

Red River Parish Port Commission  
Notes to Financial Statements  
June 30, 2001

**INTRODUCTION**

The Red River Parish Port Commission was created by Act 1975 containing R. S. 34:3166 of the Louisiana Legislature. The Commission serves all of Red River Parish. The Commission shall regulate the commerce, and traffic, within the Port area in such a manner as may, in its judgment, be for the best interest of the State.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. BASIS OF PRESENTATION -**

The accounting and reporting policies of the Commission conform to generally accepted accounting principles as applicable to governmental units, on a basis consistent between periods. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

**B. REPORTING ENTITY -**

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the State of Louisiana to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the State of Louisiana.
2. Organizations for which the State of Louisiana does not appoint a voting majority but are fiscally dependent on the State of Louisiana.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.



Red River Parish Port Commission  
Notes to Financial Statements  
June 30, 2001

Because the State of Louisiana created by Act 1975, the Red River Parish Port Commission, the Commission was determined to be a component unit of the State of Louisiana, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the State of Louisiana, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**C. FUND ACCOUNTING -**

The Commission uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

The fund classifications and a description of each existing fund type follow:

**Governmental Funds -**

Governmental funds account for all of the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

General Fund-the general operating fund of the Commission and accounts for all financial resources, except those required to be accounted for in other funds.

**D. FIXED ASSETS -**

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

Red River Parish Port Commission  
Notes to Financial Statements  
June 30, 2001

*Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. These assets are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.*

All fixed assets are valued at historical cost.

This account group is not a "fund". It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

**E. BASIS OF ACCOUNTING -**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in the current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues -**

Revenues are recognized when they become measurable and available as net current assets.

All intergovernmental revenues and a substantial portion of miscellaneous revenues are recorded as revenue when earned and billed since they are measurable and available and are therefore considered to be susceptible to accrual.

**Expenditures -**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**F. BUDGET -**

An annual operating budget is adopted for the General Fund. The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of each year, the Secretary-Treasurer prepares a proposed budget and submits same to the Board of Commissioners.
2. The Board of Commissioners approves the budget, or amends it as necessary.
3. The approved budget is held open for public inspection.

Red River Parish Port Commission  
Notes to Financial Statements  
June 30, 2001

4. The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund for which an annual budget is prepared. Appropriations which are not expended lapse at year-end.

**G. ENCUMBRANCES -**

The Red River Parish Port Commission does not employ the use of "Encumbrance" accounting.

**H. TOTAL COLUMNS ON COMBINED STATEMENTS-OVERVIEW -**

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**I. CASH -**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**2. GENERAL FIXED ASSETS:**

A summary of changes in General fixed assets follows:

	Balance <u>7-01-00</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6-30-01</u>
Land	\$0	\$324,777	\$0	\$324,777

**3. CASH AND CASH EQUIVALENTS:**

At June 30, 2001, the Red River Parish Port Commission has cash totaling \$19,270. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Red River Parish Port Commission  
Notes to Financial Statements  
June 30, 2001

The Commission's cash is categorized below to give an indication of the level of risk assumed by the Commission at June 30, 2001. Category 1 includes cash that is held by the Commission in the Commission's name.

	<u>1</u>	<u>Category</u> <u>2</u>	<u>3</u>	<u>Carrying</u> <u>Value</u>
Cash	<u>\$19,270</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,270</u>
Insured by- FDIC Insurance	<u>\$19,270</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,270</u>
Total	<u>\$19,270</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,270</u>
Unsecured	<u>\$<u>0</u></u>			

**4. PENDING LITIGATION:**

At June 30, 2001, the Red River Parish Port Commission was not party in any litigation.

## INTERNAL CONTROL AND COMPLIANCE

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners  
of the Red River Parish Port Commission

We have audited the general purpose financial statements of the Red River Parish Port Commission, a component unit of the State of Louisiana, as of and for the year ended June 30, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Red River Parish Port Commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Red River Parish Port Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



This report is intended solely for the information and use of the management of the Red River Parish Port Commission, the Legislative Auditor, and interested state and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Johnson, Thomas & Cunningham  
Johnson, Thomas & Cunningham, CPA's

November 27, 2001  
Natchitoches, Louisiana